

Message Text

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64

ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 071

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FOR EDWARD O'CONNOR, VICE PRESIDENT LATIN AMERICAN DIVISION EXIMBANK

E.O. 11652: N/A

TAGS: ETRA, VE

SUBJECT: PRELIMINARY COMMITMENT ON INTEREST RATE FOR EXIM
BANK LOAN

1. STEPHAN MOROWSKY, TREASURER, GM-VENEZUELA, HAS NOTIFIED EMBASSY THAT GM WILL BID ON GOV CONTRACT FOR 800 AUTOBUSES (\$40 MILLION ESTIMATED TOTAL COST). MOROWSKY EMPHASIZED THAT TERMS OF CREDIT WILL BE DECIDING FACTOR IN AWARDING CONTRACT. HE ALSO REPORTED THAT FOREIGN COMPETITORS SEEM TO HAVE STRONG SUPPORT FROM THEIR OWN GOVERNMENTS (PAST CONTRACTS HAVE BEEN AWARDED TO BRITISH AND HUNGARIAN SUPPLIERS).

2. PERTINENT PARAGRAPH FROM SAMPLE CONTRACT PROVIDED BY MOROWSKY AS FOLLOWS: "3.2 A BUYER WILL PAY THE SELLER INTEREST ON THE AMOUNTS OF THE BILLS OF EXCHANGE AT THE RATE OF NINE PERCENT NET PER ANNUM, CALCULATED ON OUTSTANDING BALANCES, STARTING FROM THEIR EMISSION DATE. IN THE EVENT THAT THE PAYMENT OF THE BILLS OF EXCHANGE ARE TOTALLY OR PARTIALLY DELAYED IN THE BANK OR BANKS MENTIONED IN THE FORMER CLAUSE, THE BUYER WILL PAY NET INTEREST OF ONE PERCENT MONTHLY OVER THIS FOR THE AMOUNT DELAYED UP UNTIL THE DATE OF RECEIPT OF THE RESPECTIVE PAYMENT."

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3. PER TELCON MONTGOMERY/J. TAYLOR (9/5/75), MOROWSKY HAS BEEN ADVISED TO SUBMIT DETAILS AND QUERY POSSIBILITY OF PRELIMINARY COMMITMENT ON INTEREST THROUGH GM - US. MR. JOHN CONKLING, ASSISTANT FINANCE MANAGER, GM OVERSEAS OPERATIONS (NY) WILL BE REQUESTED TO CONTACT EDWARD L'CONNOR TO DISCUSS PROPOSAL. SHLAUDEMAN

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